



July 29, 2016

VIA EMAIL

Mr. Rick Scott
Administrative Services Division
City Hall, Room 224
200 N. Spring Street
Los Angeles, CA 90012

RE: Downtown Center Business Improvement District: 2016 Second Quarter Report

Dear Mr. Scott:

We are pleased to provide you with the required reporting of the activity for the Downtown Center Business Improvement District (DCBID) for the second quarter of 2016:

Operating Expenses: Annual Budget \$3,556,486

Safety Services

We contract safety services through Universal Protection Service (UPS). Patrol services are provided 24 hours a day, seven days a week and are deployed via foot patrols, bicycles and vehicles from the Service Center facility located at 640 S. Olive Street. Safety personnel responded to 22,552 calls for service and self-observed incidents, and provided directions and assistance to 6,067 citizens during the months of April, May and June.

The Safety Patrol focused on quality of life issues that were spiking in all areas of the district. Businesses throughout the district were being affected by an increase in the frequency and aggressiveness of transient behavior. This prompted the DCBID to focus on Foot Beat Patrols in the most problematic areas and also request for an increased presence of law enforcement personnel from LAPD.

The Safety Patrol conducted refresher training on the following topics:

- CPR and First Aid Training
- Foot Beat Training

Maintenance Services

We contract maintenance services through Chrysalis, a neighborhood nonprofit organization that offers employment opportunities to the homeless and economically disadvantaged.

Maintenance removed 269 instances of graffiti and targeted problem areas within the district. 23 instances of high-rise graffiti were reported to the city.

Maintenance sweeper crews swept the sidewalks, emptied trash receptacles, removed illegal decals, scraped gum from public phone booths and provided graffiti removal as detailed above. The maintenance crew also deployed two Tennant M-20 Sidewalk Scrubbers to assist with removing debris from the sidewalks. The DCBID trimmed 198 trees within the district in the month of June. Maintenance crews collected 16,177 bags of trash and removed 78 abandoned shopping carts during the months April, May and June.

BID ACTION (Homeless Outreach Team)

On October 1, 2015 the DCBID began contracting services with PATH (People Assisting The Homeless) to provide homeless outreach team services. PATH will also provide training to the DCBID Safety and Maintenance teams providing them with additional skills to assist those in need on the street.

During the 2nd quarter the new outreach team:

- made contact with 120 unique individuals who were not previously contacted with by PATH – 82 Males & 28 Females
- successfully linked individuals with 59 services including interim housing, substance abuse, mental health, ID documentation and more.

Communications, Marketing and Economic Development Programs: Annual Budget \$1,432,050

Communications & Marketing:

Rebrand

We completed our DCBID rebrand project in April with design approval by the DCBID Board of Directors. The project included new logos and branding for the DCBID and DowntownLA.com. Following approval, we created a rollout schedule for the new branding which included new Safety & Maintenance uniforms, vehicle and BigBelly waste bin decals, and marketing materials. The new branding began rolling out in mid-June with a plan to continue throughout Q3.

Events

We hosted our Annual Property Owners Meeting at the Los Angeles Athletic Club on April 14th. We invited property owners from the District with printed and email invitations. Guests were welcomed by opening remarks from Councilmember Jose Huizar, Chief Charlie Beck, Deputy Chief Robert Arcos, and Captain Howard Leslie. The DCBID staff shared a presentation that outlined 2015 achievements and 2016 goals by department. Our printed 2015 Annual Report was released at the meeting.

We held our 2018 Property Owners Renewal Strategy Session on June 21st at the Omni Hotel from 8:30 to 10:30am. Meeting attendees discussed best practices for disseminating information about the renewal and provided input on the services and terms for the 2018 to 2023 period.

In June, we planned for our 10th Annual Dog Day event that was scheduled for July 12th from 6-9pm at the Cathedral of Our Lady of the Angels. This free event for Downtown residents and their dogs

celebrates community by providing a forum where residents can mingle. The event also showcases over 30 pet-friendly Downtown businesses and hosts over 1,500 residents and their pets.

Advertising Campaigns & Marketing Projects

In anticipation of the Metro Expo Phase 2 line extension, we launched a marketing campaign in May to attract visitors along the new Westside stations to Downtown LA. The campaign included a promotional video that was co-produced with the Downtown Santa Monica BID, a web page, Instagram contest, DowntownLA.com giveaways, and a street team to welcome visitors during the grand opening weekend (5/21-5/22). The video was advertising on Facebook to targeted zip codes and received 5,000+ completed views, 1,000+ likes and loves, and 385 shares.

We kicked off our annual *Summer in the City* marketing campaign in late June. The campaign promotes Downtown LA as a destination for outdoor events and encourages event goers to patronize local businesses by providing them with suggestions for dining, shopping, and entertainment before and after the event. Eight event series are featured in the campaign including: FIGat7th Downtown Festival, Downtown Stage at Pershing Square, Grand Performances, and Dance DTLA at The Music Center.

PR

Our PR firm Macy + Associates worked on media pitches and follow-up for our 2015 Year-End Market Report, DCBID rebrand, Innovate DTLA initiative, and Q1 Market Report. As a result of their ongoing efforts, the DCBID earned Q2 coverage in The Los Angeles Times, Connect Media, GlobeSt.com, RENTTV, Bisnow, and The Real Deal.

Website

We continue to add content and enhancements to DowntownLA.com including new content to the business database, building database, and event calendar. We updated the website with our new branding, enhanced the homepage, and launched a blog in Q2.

Downtown Guides Program

The Downtown Guides were active in their outreach to businesses, residents, and visitors in the Downtown Center. The Guides were present at:

- DCBID Housing Tours
- DCBID Get Urban Tours
- DTLA Marketing Roundtable Meetings
- Expo Line Phase 2 opening weekend
- Skyspace LA opening weekend

The Welcome Maps and Bags continue to be in high demand. The maps are distributed via our Downtown Guides in Downtown LA, and via Certified Folder Display to major transportation hubs and tourist attractions in Southern California. The Welcome Bags greeted new office tenants and residents when they moved in.

Quarterly Newsletter

The Q2 issue of the quarterly District News was mailed to Property Owners in July. The issue featured articles about our 2018 BID renewal, the DCBID rebrand, our Innovate DTLA initiative, tree trimming services, and more.

Monthly eNewsletter

The DCBID's monthly e-newsletters were sent to over 36,000 current subscribers. They highlighted new business openings, Downtown events, and special offers to our subscribers.

Marketing Roundtable Meetings

We continued to co-host our monthly DTLA Marketing Roundtable with the Central City Association. We conducted outreach to attract new members to the meeting and now host over 50 attendees each month. Guest speakers included Hope for Firefighters, American Cancer Society, Extraordinary Events/ OUE Skyspace LA, Downtown News, Cinnia Finfer with 50 Ways to Shop DTLA, HUUPR, Funny Zoo, Cal State LA, Psomas Yacht Challenge, and Riot LA.

Economic Development:

GET URBAN: Creative/Tech/ Office (CTO) Recruitment Initiative

We continued our **GET URBAN** creative/tech industry recruitment initiative with fully subscribed Downtown office space tours in April, May, and June. A total of over 400 people have attended our monthly tours, which have showcased 50 of Downtown's leading tech and creative companies, along with the neighborhoods, arts, culture, retail and residential opportunities Downtown.

Our on-going marketing, communications and outreach strategy included distribution of marketing materials directly to the commercial brokerage, tech and creative communities at events such as **StartUps in the Sky, Bisnow** and **Connect**. We also expanded our social media presence on **Twitter**, with over 1,250 Tweets to our growing base of over 600 followers in the Downtown LA area, regionally and nationally.

In addition to our schedule of monthly tours, we provided custom tours for prospective office tenants and office space brokers. We also maintained ongoing communication and collaboration with the creative and technology communities to expand the reach and impact of the **GET URBAN** initiative and to nurture and grow the tech and creative presence Downtown. Specific partners in this effort include: **PershingSquaReNew, TechRise, CrossCampus, Start-Up DTLA, WeWork, Los Angeles County EDC**, and the **Mayor's Office of Economic Development**.

Innovate DTLA

Expanding our office and industry recruitment and promotion, we launched the **Innovate DTLA** initiative in June with a Leadership Symposium hosted by **WeWork** and **Brookfield** on June 21. The event brought together 120 downtown stakeholders from the real estate, business, technology, government and community/nonprofit sectors, including leading thinkers on innovation and place-making.

The main goals of the Innovate DTLA initiative are to:

- Promote downtown as a place of innovation and creativity
- Nurture the existing innovation ecosystem
- Attract more creative and technology companies, organizations and individuals to DTLA

Innovate DTLA continues with a series of workshops over the summer, culminating in a report on Downtown's future as an "Innovation District" for release in October during LA Innovation Week.

Retail Recruitment

We toured and/or met with retailers, restaurateurs and other companies that are interested in opening their business or moving their office to Downtown. We also continued to promote and distribute our retail report – **DTLA: The Future of Urban Retail** – and provide custom market and demographic information to prospective retail tenants and brokers.

Housing Tours

We hosted monthly housing tours in April, May, and June, with an average of 50 people in attendance. We also led a custom tour for a group of individuals interested in purchasing residential and investment properties.

Investor/Developer Presentations and Tours

We gave special tours to residential, commercial and hotel developers and helped them with their market research and underwriting.

Events

StartUps in the Sky

Hosted tech mixers in April, May and June

Research & Information Requests

We responded to over 40 external requests from brokers, business and property owners, investors and developers, for information on a range of topics, including:

- Demographics of Downtown residents and workers
- Residential, commercial and retail market statistics and updates
- Current development pipeline
- Property ownership and sales information
- Regional Connector and other transit projects
- Significant commercial office, residential and retail leases and sales
- Amenities and nightlife
- New retail businesses and developments
- Streetscape improvement projects

Economic & Market Reports

We produced and published the **Q1 2016 Market Report** in May, and continued to distribute the **2015 Survey of Downtown Residents and Workers** and **DTLA: The Future of Urban Retail** to stakeholder groups and upon request. We provided research data to media outlets including the LA Times, Los Angeles Magazine, NY Times, Wall Street Journal, Downtown News, LA Business Journal, DTLA Rising, that were included in articles on Downtown's continued growth and evolution.

On-Going Projects

The Economic Development team participated in meetings and/or working groups for the following Downtown development projects:

- Bringing Back Broadway
- Pershing Square Renew
- 7th Street Improvement Project
- MyFigueroa Streetscape Project
- DTLA Forward

Administration Program: Annual Budget \$1,180,560

Downtown Center Business Improvement District has actual revenues over net expenditures of \$3,036,612 versus a projected \$2,345,584 for the six months ended June 30, 2016. The \$691,000 difference is the result of a favorable timing differences in the collection of revenue received (\$405,000) and favorable timing differences within the Marketing and Economic Development programs for Brand Redesign, Area Map production costs and Arts and Culture sector initiative. Also included are favorable variances for Safety and Maintenance personnel costs due to open positions as well as timing differences for tree trimming and new uniforms.

After you have reviewed the documents, and if you have questions or need additional information, please feel free to contact me.

Sincerely,



Suzanne Holley
Sr. Vice President & Chief Operating Officer

Table of Quarterly Expenditures as of June 30, 2016

| BUDGET LINE ITEM | ANNUAL BUDGET | AMOUNT SPENT THIS QUARTER | TOTAL AMOUNT SPENT FOR 2016 YTD | PROJECTED SPENDING FOR NEXT QUARTER |
|----------------------------------|------------------|------------------------------|--|--|
| 1. Operating Expenses | \$ 3,556,486 | \$ 760,785 | \$ 1,637,670 | \$ 877,315 |
| 2. Communications & Marketing | \$ 1,432,050 | \$ 300,598 | \$ 573,570 | \$ 339,880 |
| 3. Administration | \$ 1,180,560 | \$ 268,247 | \$ 556,250 | \$ 272,970 |
| | | | | |
| 4. Total | \$ 6,169,096 | \$ 1,329,630 | \$ 2,767,490 | \$ 1,490,165 |

**NEIGHBORHOOD AND BUSINESS IMPROVEMENT DISTRICTS
QUARTERLY STATISTICS FOR MAYOR'S COMSTAT REPORT**

| CATEGORY | TOTAL FOR QUARTER | CUMULATIVE TOTAL |
|-------------------------|--------------------------|-------------------------|
| Public Safety Incidents | 28,656 | 54,993 |
| Trash Bags/Tons Removed | 16,177 (Bags) | 30,473 (Bags) |
| Bulky Items Removed | 34 | 53 |
| Graffiti Removed | 292 | 570 |
| Weeded Areas | 14 | 20 |
| Citizen Contacts | 1,106 | 2,294 |
| Merchant Contacts | 2,934 | 5,770 |
| Spaces for Lease | 5,366,660 SF | |
| Spaces Leased | 822,087 SF | 1,341,314 SF |
| New Business | 6 | 13 |
| Landscaped Medians | 0 | |